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DEPARTMENT OF STATE

MEMORANDUM OF CONVERSATION

Date: October 24, 1957

Subject: Discussion with M. Spaak of NATO Political and Military Subjects

Participants:

John Foster Dulles, Secretary of State
 Donald A. Quarles, Deputy Secretary of Defense
 Robert Murphy, Deputy Under Secretary of State for Political Affairs
 C. Burke Elbrick, Assistant Secretary of State for European Affairs
 Ambassador W. Randolph Burgess, U.S. Permanent Representative to NATO
 John N. Irwin, Acting Assistant Secretary of Defense, ISA
 B. E. L. Timmons, Director, Office of European Regional Affairs
 Robert H. McBride, Deputy Director, Office of European Regional Affairs
 M. Paul-Henri Spaak, Secretary General of NATO
 Ambassador Aubrey Casardi, Assistant Secretary General for Political Affairs, NATO
 M. Saint-Mleux, Director of Cabinet to M. Spaak
 Mr. Edward Key, Press Officer, NATO International Staff

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After the Secretary opened the meeting at 3:00 p.m. by greeting M. Spaak, the latter said he would like to begin with a summary of some of the major political consultations undertaken in the Council. He referred to the change in the length of Belgian military service, disarmament, and the Middle East.

In connection with the Belgian decision to reduce the term of its military service, he commented this was, in fact, a unilateral decision, worked out by the Belgian government before informing NATO. He said this was a bad procedure and that decisions should not be taken and NATO informed afterwards.

In connection with the disarmament talks, he said the NAC consultations had not delayed operations in London. He said the August 29 proposal, in fact, was a NATO-approved one. He said the success of the operation should not be exaggerated since, in the case of disarmament, divergencies were ironed out, but there had been no real differences in view.

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With regard to the Middle East, Spaak said that all of the delegations had contributed to the discussion and had indicated some ideas on how to counteract Soviet efforts in this area. He said while some of the ideas have been good ones, the discussion had not yet gone very far. He said the atmosphere had been better until last week when the impression became current that the Turks were not being entirely frank. This had created a feeling of uneasiness, he said, of which the press story regarding the loss by Mr. Henderson of diplomatic documents was symptomatic. He expressed satisfaction that he had been able to warn Ambassador Burgess about this story before it appeared in the press. Spaak said that, in general, he had found good will existed and the desire for meaningful consultation. He noted that the NATO machinery was somewhat heavy, as the Ambassadors, of course, had to get instructions from their governments; while some operated quickly, others were very slow, and this created a gap in the timing of instructions.

Spaak added another feature of NATO political consultation was that it involved a number of the smaller countries on matters on which they had no policy, not previously having been concerned therewith. In this connection, he noted that all of the NATO countries had been willing to declare their solidarity with Turkey, had not the Turkish case been transferred to the UN.

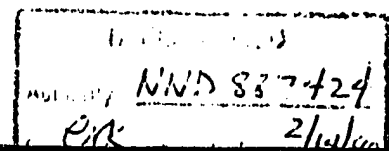
Passing to economic problems, Spaak said that NATO had recently become involved in a number of these, of which he thought perhaps the Iceland case was the most important. He expressed the hope that Iceland's conditions could be met, mostly, of course, thanks to U.S. assistance, but also with the help of Germany and Canada. Spaak developed the thesis that no Western agency suited to this type of problem exists. He characterized the OEEC as "too technical and too scientific". He said the OEEC offered splendid advice but Iceland wants assistance. He thought NATO should develop further in this economic-political field.

Spaak also referred to the difficulty of Lebanon in selling her apples and pears. He said that while NATO was not set up to cope with problems of this type, it nevertheless had reached a solution by coordinating the activities of various countries. In this case he noted France and Germany purchased the fruit crop, while orders were also placed by U.S. military authorities in Germany. Spaak said the case of disposing of the Sudanese cotton crop was more difficult, because the price was high, and again there was no Western organization to meet this problem.

Passing to the military aspects, Spaak discussed first the British forces problem. He said the UK appeared ready now to leave its 5,000-man strategic reserve on the continent. However, this was a relatively secondary problem compared to the British conviction that, as of next March, they could not leave

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troops in Germany at all unless Germany could meet the mark costs. He said the other four occupying countries--U.S., France, Belgium, Holland--must not take it as a precedent if Germany were to meet the British request for payment of mark costs, since, in that case, there would be little chance of Germany's accepting the British request. He said a grave crisis would arise if British troops were withdrawn from the continent, and that the Paris and London Accords would, of course, be affected.

Spaak said that he had been greatly impressed by General Norstad's recent report and particularly that section which indicated the need for larger numbers of atomic units in 1963. He said this was, of course, primarily a U.S. problem, since we are currently the only producer and must accordingly give or sell these items to the NATO countries. He referred to the dollar crisis in most of the European countries as also increasing the difficulty for the Europeans in purchasing these weapons.

Spaak said that obviously nuclear weapons for tactical purposes were becoming more and more needed in NATO. He said he did not know how they could be paid for and that this was, of course, one of NATO's principal problems for the coming months.

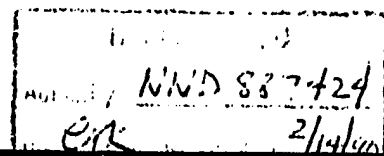
Spaak referred to the need for an agreement for common scientific research. He said of course everyone was talking about this now. However, even before the Soviets had launched their satellite, NATO had already been studying the problem of pooling scientific resources and a task force on this subject had been meeting in Paris. Spaak noted that this task force would have a report for the December Ministerial meeting, but he concluded this approach was both too vague and insufficient.

Spaak concluded his presentation, saying this was an outline of the most striking problems he had found since he had taken over as Secretary General five months ago. He touched finally on the Cyprus question, which he said was somewhat separate. In this connection, he said he had been in touch with all of the parties principally interested over the past two or three months. He thought his discussions had been useful in clarifying the problem and hoped that in a few months more he might be able to propose a solution.

In replying to Spaak, the Secretary said that, first, we considered the Belgian troop reduction problem as finished. He concurred in Spaak's view that disarmament discussions in NAC had been useful. He thought this demonstrated an encouraging capacity for NATO to play a role, and that this discussion had encouraged a number of nations to take part in disarmament decisions when they otherwise would have played no part therein. While all of the NATO countries were perhaps not directly concerned, most of them were, particularly the Germans.

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The Secretary said that he did not know why the Turks had given the impression of lack of frankness recently, but his information was that the Turk leaders were so concerned with the elections that their subordinates were left without positions on major questions. With regard to the allegations about the so-called Henderson papers, the Secretary noted that Mr. Henderson had had no papers with him. He said the Soviets were probably referring to Turkey's war plans, which, of course, envisaged an attack against Syria, if Turkey were first attacked from that quarter, just as they would cover possible campaigns against the Soviet Union and Bulgaria, if aggression originated from those areas. He said that probably Turkey's planning activity had been encouraged by recent Syrian events, and that the Soviets had probably gotten hold of these plans. However, the Secretary pointed out that all nations had war plans of this type, including ourselves. Furthermore, this did not prove any political decision to attack had been reached.

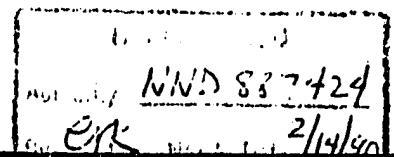
The Secretary said that we shared the view that NATO should not project itself into the Middle East and that we should discourage the idea that the Baghdad Pact is a projection of NATO. He said we did not want to give the Soviets an opportunity to allege that NATO had imperialist designs. He thought, therefore, we should be cautious in any action with regard to what is a Middle East affair. The Secretary added that we were not enthusiastic for a NATO declaration on the area, as it might prove beneficial to Soviet propaganda. However, he said we would have voted for such a declaration, had the other nations, particularly Turkey, agreed.

The Secretary agreed NATO should attempt to find solutions to politico-economic problems and said he was prepared to discuss in NATO at the proper time how this should be done. He said many things had been discussed in the NAC, and frequently most effectively without publicity. He referred specifically to the purchase of Sudanese cotton, and said this presented a problem because NATO was not a pre-emptive buying agency, and furthermore, for the U.S., there was the question of disposing of our own surplus cotton. He thought, perhaps, there should be some modest organization which would call these problems to the attention of the NATO members. For instance, he thought perhaps it could be examined to see if the French could not substitute Sudanese cotton purchases for those from Egypt. He said this whole concept could be discussed at a future time whenever M. Spaak wished.

Passing to the military problems, the Secretary said he would not comment on the British problem much at this time. He noted this had been discussed with Selwyn Lloyd and it was hoped by the U.S. that the 5,000-man strategic reserve would be kept in Europe. He said getting the Germans to pay all of the mark costs of the British forces in Germany was a solution but created difficult precedents. However, he thought the precedent for us would be less difficult if the British need to acquire marks were attributed to foreign exchange difficulties. Germany certainly was delinquent in her own military build-up and perhaps she should therefore contribute by paying the full British mark costs.

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The Secretary covered the question of contributions to NATO. When the British announced in December 1954 they would leave four divisions on the continent, we indicated we also would keep a fair share of the total forces on the continent. However, since that date, while our forces have remained constant, the contributions of others have decreased. In 1954 it was envisaged there would be a French contribution of 14 divisions, and 12 German divisions to go with the 5 American and 4 British divisions. Now Germany would have only 5 divisions by the end of 1957, and the Secretary noted the Norstad report only called for 4 French M-day divisions. Therefore, the relative U.S. share has increased. Furthermore, the U.S. bears the full burden in the field where only we can really contribute--missile development, etc., though there is some small British contribution. Therefore, the picture was that our ground forces contribution was expected to remain unchanged while others were cutting forces. Our percentage contribution to ground forces was now nearly double what was envisaged in 1954. Both the French and Germans have fallen short in supplying ground forces, and neither is able to assist in the atomic field. The Secretary concluded that this was a difficult problem for us. He referred to Ambassador Perkins' statement to the Council on September 18 as an indication we were trying to continue our emphasis unchanged, but, he reiterated, others were reducing their forces.

Spaak then referred back to previous statements on the Middle East, and said the purpose of his suggested NATO declaration was merely to reassure Turkey, as well as European public opinion. He believed the problem was somewhat altered since the UN had now taken over its handling.

On the UK forces problem, Spaak thought this should definitely be worked out as a foreign exchange question, and not a budget or general financial problem. He said he would try to hold the British to their commitment but noted that under the Paris Agreements, the UK could cite the foreign currency situation to justify force reduction. However, the UK had not taken this step, presumably in order not to cause alarm regarding sterling strength, although this was the only legal basis, under the 1954 accords, to justify withdrawals. He noted France could not accept UK withdrawal from the continent, because the French had accepted German rearmament under the 1954 treaties only on grounds there would be U.S. and UK forces in Germany to counterbalance the expected German army.

However, Spaak said, the U.S. problem was the most difficult of all. NATO has not even reached the minimum figures required by Norstad in his recent report. He noted most of the NATO nations were lagging, especially the Germans, while the French of course were short in their contribution because of Algeria. He said it was extremely hard for Norstad to operate with the shield forces not in place.

Passing to the question of scientific research, Spaak said it was obviously wasteful for NATO to duplicate research. For instance, the British and French were doing research in fields we had passed some years

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ago. This way he said money was spent for the same task in various NATO countries. This situation must be eliminated, and research organized. Spaak thought considerable savings could be effected in this manner.

The Secretary said our discussions with the British were in terms of NATO as a whole. He agreed with the need for organization of military production. He said it was, for example, silly for the French to manufacture an atomic bomb. However, he added, the NATO nations wish to have atomic weapons, and it is highly desirable they obtain them in the NATO framework.

Spaak at this point raised the question of the political direction of a war. He reiterated it was wasteful for the UK and France, for instance, to duplicate U.S. efforts. The Secretary said we were working hard on questions in this field, and hoped soon we could develop something to correspond to the NATO atomic stockpile. He thought it desirable this whole field of weapons should be handled on a NATO, not a bilateral, basis. He thought the arrangement would be along the lines worked out bilaterally with the British. The nuclear components would remain technically under U.S. direction. However something could be worked out taking advantage of the fact that General Norstad is both SACEUR and CINCEUR. Furthermore, the atomic warheads could always be released to other NATO nations in time of war under the President's war authority. He noted training of NATO personnel was already in progress in this field.

Mr. Quarles said we could develop something which would be such a good approximation of the NATO stockpile that he was sure it would be satisfactory. He noted our laws would not permit satisfying the NATO position exactly. He referred to what we were already doing in this field including certain bilateral arrangements we had entered into. He mentioned the ADIC in The Hague as a useful example in the technical field, and plans for its passing to NATO under the infrastructure program. He also considered the MWDP as a considerable contribution.

Mr. Quarles discussed the security problem involved in transferring U.S. classified information. He said there could be a fairly active interchange even under present legislation, and added that perhaps this legal barrier might be lowered or removed. He said there was currently considerable activity which was inhibited primarily because we did not have unlimited dollar resources. He added this was not entirely a U.S. problem as there were barriers among the other NATO countries of a technical and commercial nature. He agreed with M. Spaak that it was wasteful for various of the NATO countries to be working on parallel projects. He also admitted there were certain disadvantages to having the U.S. supply all of these weapons, although it appeared uneconomic if the Europeans produced many of them.

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M. Spaak said the situation was such now that we must attempt some dramatic steps even if they had failed up to now. He reverted to his fear it would not be possible to meet the requirements of the Norstad report. He said he was obviously faced with the possibility of the reduction of U.S. and UK forces on the continent and a lessening of effort on the part of the continental members; therefore, he regretfully concluded that the situation was getting worse rather than better. It appeared a critical difficulty was the expense involved, and economies must be made.

Spaak continued saying that three years ago the EDC had failed, but now all the generals wanted integration in the military field. National forces no longer were feasible. For example, it was ridiculous for there to be an independent Belgian Air Force. Furthermore integration would save money. The need was to have a single European air force. Spaak stated that the world situation made it necessary to succeed now in endeavors we had never attempted before. He said we must recapture the initiative from the Soviets.

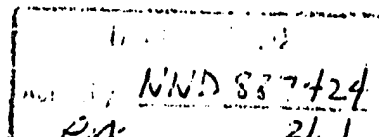
Spaak then suggested that, when the U.S. does announce modifications of its forces on the continent, this should be the time to make an eloquent plea to the European nations to do more. He said he understood the U.S. problem, and hoped our decisions could be used in a positive way. He said a system of national priorities must be established. National markets were too small and we could not afford one British plane, one French plane, etc. Sacrifices of national prestige must be made or we will be unable to afford what we need. He noted the dangers of chain reaction. He said the Belgian troop service question was dangerous in this context but nothing compared to a U.S. withdrawal from the continent. This, he said, would be the end of the present defense system as we know it, and which the military commanders say is essential.

The Secretary stated we continued to attach importance to the shield, and added we had no plans to withdraw our forces though there may be adjustments. He agreed a chain reaction should be avoided, and that the Europeans should be induced to contribute more. If the other NATO nations want the U.S. to lead the Soviets in the missile race, then they should do more in other fields. Perhaps the Soviets got ahead because the U.S. was spending too much on its ground forces in Europe. He concluded that we should have substantial ground forces in Europe, however, for the foreseeable future, and agreed that a full-scale withdrawal would present a major psychological problem.

The Secretary added another reason for more substantial European contribution was the German problem. If the other Europeans wanted German forces integrated, they must provide something for them to be integrated

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with. He said it would be undesirable for the German forces to exist alone. He reiterated the primary U.S. contribution should be in the special fields where we have the lead.

Spaak said we should not let the idea persist in Europe that the U.S. would contribute all of the modern weapons while Europe would contribute only manpower. He said European soldiers required tactical nuclear weapons, and that the European forces in general should be well-equipped. He also referred to the problem of using scientific manpower, and asked if it would not be possible to bring European scientists to the U.S. to utilize them here.

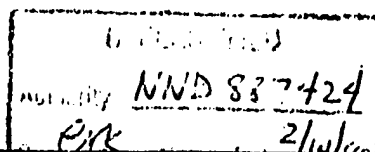
Mr. Quarles noted there had been some resistance in Germany, for example, to moving their scientists here, and they had the feeling their contribution should take place there. He said, however, our own position was flexible. Mr. Quarles then referred to Mr. Spaak's earlier comment that the Norstad report had a requirement for over 200 atomic units in 1963 as compared with 16 at present. He pointed out that present U.S. law requires the nuclear components to remain in U.S. hands although the delivery systems can become part of NATO's armament. Perhaps in time these weapons could be completely integrated into NATO. He thought the important point was to have the complete weapons system in place. Obviously, he continued, greater strength could be achieved if each contributed what he was best qualified to contribute, and in this connection the primary U.S. contribution should be in the missile and modern weapons field. This does not mean Europe would contribute only foot soldiers; furthermore, the infantryman is no more exposed than anyone else now.

Spaak said that, as a Belgian, he agreed with all of the foregoing. However, there was a problem in connection with the four larger NATO European countries, who want to manufacture modern weapons themselves, and do not wish to depend one hundred percent on the U.S. Therefore, others would try what the British are already doing, and the French are attempting to do, resulting in duplication. If this trend continued, the shield forces would get thinner and thinner to the point where it would be questionable if they should be retained at all. If the shield is obviously insufficient, it becomes more difficult to justify. He said before the war the military commanders at least thought their forces were sufficient, though this proved incorrect in the French case, but now the military commanders felt their minimum requirements were not being met. He felt this would lead to a feeling of hopelessness.

Mr. Quarles stated we expected to maintain five divisions in Europe this fiscal year, though there would be some adjustments in order that we might concentrate on the very expensive items. We will assist in equipping other forces as well. We do not wish to block their national programs but the outcome

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must be a whole and not separate parts. He concluded agreeing on the importance of integration in the military field.

The Secretary said it was essential all members of the alliance have full trust in each other, and the other members must trust the U.S. and UK to carry out the tasks for which they are best fitted. He said this spirit must pervade the alliance.

M. Spaak said some of the difficult and delicate tasks must be left to the Europeans. All of the weapons manufacture and contribution to the infrastructure program must not be left to the U.S. He said again that the answer was greater military integration which would effect important savings. He then asked what we had in mind for the December NATO meeting.

The Secretary said he hoped the present talks with Macmillan would lead to something which could be projected for NATO. He said we expected to authorize Ambassador Burgess to make an announcement very soon regarding the atomic stockpile. Perhaps, he added, in December we would be in a position to announce something even more far-reaching. He said there was a great need to rationalize our effort, prevent duplication and effect economies. NATO must be organized on a basis of mutual respect. Spaak said the spirit of potential nationalism in Europe was bad and he agreed each of the nations must trust others to contribute what they best can.

Mr. Quarles outlined the sample weapons program of making available designs and small quantities of certain advanced weapons to those who wanted them. This has thus far been on a bilateral basis, and agreements have been concluded with those who could produce these weapons and needed them. He said conclusion of multilateral agreements for this program would require additional integration, which we were more than willing to see.

Spaak said now was perhaps the time to force integration and greater cooperation among the NATO members. The military commanders emphasize the need for strength. He thought we could speak frankly to the UK and France regarding their special problems. He said there was now a trend towards military integration in Europe but it would be two or three years before it produced many results.

The Secretary-General then turned to the Cyprus question. He said he was puzzled by the Greek acceptance of the proposal to make Cyprus a member of the British Commonwealth. He said Averoff had agreed to this with him, and had said it was also acceptable to Makarios. However, he supposed the

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problem for the Turks was the eventuality the Cypriots decided to leave the Commonwealth, since they cannot accept a solution which is just a step towards enosis.. He thought it should be provided that if the Cypriots became a member of the EC and then wished to leave, there would be a conference to discuss their new status.

The Secretary said the British would accept almost any solution acceptable to the Greeks and Turks. He said they wished to retain a base in Cyprus but also wished to be rid of the responsibility for the island. He noted that the resolution of the Labor Party made it more difficult for the Greeks to proceed now. However, he did not think the Greeks should rely on that, because if the Labor Party came to power they would have the same Turkish problem, and probably would not be able to carry out their present ideas.

Spaak said partition was a bad solution, and hoped that, after the Turkish elections, Turkey would be more reasonable. He also said U.S. assistance with the Turks might be required. He said the British and the Greeks, especially Averoff, certainly wanted a solution. The Secretary concluded this a dangerous problem within NATO which should be solved promptly.

The Secretary said there was little to say about German reunification now, because Gromyko had just told him that the Soviets would not participate in any conference about Germany. On disarmament, Spaak said he assumed there was nothing for NATO to do now that would be helpful in connection with UN consideration of the question. The Secretary said the move to enlarge the Disarmament Committee was not serious. With regard to the Subcommittee, he said there also were various moves to enlarge it, including the addition of a neutral chairman. He said some new formula for proceeding was being sought. If NATO has any thoughts on this subject, he concluded, they would be most welcome.

The meeting ended at 5:00 p.m.

Clearances

EUR - Mr. Elbrick
RA - Mr. Timmons
DEFENSE- Col. Twitchell (in draft)

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